

MEMORANDUM

To: Commissioners Clark, Cramer and Wefald
Illona A. Jeffcoat-Sacco, Executive Secretary.

From: Annette Bendish and Jerry Lein

Date: September 12, 2005

RE: PPM Energy's Proposed Wind Farm Siting Process, Case No. PU-05-47

PPM Energy, Inc. (PPM) has filed a permitting process proposal for the siting of its proposed 150 MW wind farm near Rugby, North Dakota. PPM proposes to identify project area boundaries and preliminary turbine locations in its application and finalize turbine locations after the certificate is issued. PPM would identify preliminary turbine locations based on initial site inspection, topographic maps, known environmentally sensitive areas, exclusion and avoidance areas, Pierce County wind siting requirements, and communications with local, state and federal agencies. PPM states this type of preliminary site plan is analogous to the process used in Minnesota. (See attached Minnesota Rule 4401.0450 Subp. 6.)

PPM suggests that the certificate define the project area along with the maximum number of turbines and other structures subject to requirements arising during the hearing process such as setbacks from environmentally sensitive areas, roads, residences, etc. PPM would then complete studies and arrangements for finalizing turbine and access road locations in order to file a final site plan prior to construction. PPM proposes a preconstruction meeting with staff to ensure the final site plan conforms to certificate requirements.

Previously, when the Commission has sited fossil fuel plants, proposed final facility locations were presented in the application and decided by the Commission when issuing the certificate. In the case of a wind farm, PPM contends that it is not cost effective or practical to optimize turbine locations prior to receiving approval of the overall site. PPM is further concerned with expiration of the federal production tax credit and believes there may not be time to complete the project if all of its locational studies need to be completed before filing a siting application. PPM notes, however, that construction is still contingent upon securing a power purchase contract.

Based on our review of the siting laws and rules, PPM's proposal appears workable. The Commission should be able to evaluate the overall site in terms of exclusion and avoidance areas, policy criteria and selection criteria to place restrictions on facility locations sufficient to ensure minimal adverse effects.

We recommend proceeding under the framework of PPM's proposal with the understanding that some details will likely need to be worked through as the process goes forward. For example, the level of final site plan approval necessary before starting construction could be decided after hearing and established as a condition in the Commission's order.